

HOUSE BILL NO. 754

INTRODUCED BY H. JACOBSON

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A BILL FOR AN ACT ENTITLED: "AN ACT PLACING A 20 PERCENT PROPERTY TAX SURTAX ON RESIDENTIAL PROPERTIES OWNED BY PERSONS WHO DO NOT PAY MONTANA INCOME TAXES TO DEFRAY STATE GOVERNMENT EXPENSES IN PROVIDING EMERGENCY SERVICES TO THE PROPERTY; PROVIDING AN EXCEPTION FOR PERSONS WHO NO LONGER PAY MONTANA INCOME TAXES BECAUSE OF AGE, INFIRMITY, OR MISFORTUNE; AND PROVIDING AN APPLICABILITY DATE."

WHEREAS, homeland security emergency contingencies create extraordinary costs incurred by the State of Montana to protect the people and property located in the state; and

WHEREAS, wildfires often threaten residences located outside of the urban areas and require the use of extraordinary expenditures from contingent emergency and disaster relief funds to pay for the expenditures of fighting the fires and protecting the residences; and

WHEREAS, emergencies, disasters, and threats of terrorism may require callups of the national guard to protect people and property and may result in expenditures of state emergency disaster funds and supplemental appropriations from the general fund; and

WHEREAS, in order to help protect residential property located in the State of Montana, it is necessary to assess a property tax surtax to be collected from those who do not pay Montana state income taxes to equalize the amounts already being paid by people paying Montana state income taxes.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

**NEW SECTION. Section 1. Residential property emergency services surcharge -- income tax replacement.** (1) (a) In addition to property taxes levied on residential property in class four, if the owner of the property has not paid income taxes under 15-30-103 in the prior year, there is a state property tax surtax of 20% of the property taxes payable on the property to defray the provision of state emergency services to the property. (b) The proceeds of the surtax must be remitted to the department for deposit in the state general fund. (2) For the purposes of this section: (a) an owner is considered to have paid income taxes under 15-30-103 if the owner had in a previous



1 year paid income taxes but, because of age, infirmity, or misfortune, did not pay income taxes in the prior year  
2 and since the last time that the owner did pay income taxes under 15-30-103, the owner has not paid income  
3 taxes in another state;

4 (b) if a residence is owned by several individuals, co-owners, or owners, partners, or shareholders of  
5 a corporation, small business corporation, partnership, trust, or pass-through entity, individuals with a majority  
6 of the ownership interest in the residence must have paid income taxes under 15-30-103 for the owner to be  
7 considered to have paid income taxes.

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9 **NEW SECTION. Section 2. Codification instruction.** [Section 1] is intended to be codified as an  
10 integral part of Title 15, chapter 6, part 1, and the provisions of Title 15, chapter 6, part 1, apply to [section 1].

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12 **NEW SECTION. Section 3. Applicability.** [This act] applies to tax years beginning after December  
13 31, 2003.

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